

uniformly unsatisfactory to the investor. Much wealth has been produced and money has been made by those who have been fortunate enough to sell properties to the investor, but the investor himself has as yet received little or no return, and in many cases has been obliged to put up with serious loss. The investor is a sadly selfish individual. He does not contribute his money to increase the output of the precious metals from British Columbia, but to receive dividends upon his outlay. He naturally suspects a concealed irony in the statement that the wealth produced in British Columbia is increasing when he discovers that little or none of it is apparently available for him. Both in Eastern Canada and Great Britain, British Columbia mines have the unenviable reputation of a sink into which money may be put but out of which none ever comes. This is the plain unvarnished truth, and is unquestionably the opinion entertained abroad of British Columbia mines, whether it is deserved or not. Is it admitted that this reputation of our mines as a field for investment is the reason why the inflow of capital has ceased? Once that is admitted a great step has been gained. If it is once conceded that it is the bad name which British Columbia has received as a field for productive mining investments which is the cause of the cessation of the inflow of capital, then the whole root of the trouble is laid bare by the discovery of how that bad name has been earned, and the remedy consists in taking means to restore the good name of the country.

A few hypothetical reasons for the bad odour in which British Columbia stands may be catalogued and examined in detail, with the view, if possible, of discovering those which are valid and those which are not.

- I. Inadequate mineral resources.
- II. Exaggerated anticipations on the part of the investors.
- III. Extravagance and incompetence on the part of the representatives of investors.
- IV. Bad mining laws.
- V. Unstable relations between labour and capital.
- VI. Overtaxation and injurious incidence of taxation.
- VII. Extensive swindling on the part of company promoters.
- VIII. Abnormally high cost of production from inefficiency of labour.

I. Inadequate mineral resources :

As a reason for the disfavour with investors this count may be dismissed at once. Whatever British Columbia suffers from, it is not lack of mineral or area of mineral territory. Of course it must be remembered that most of the mineral in British Columbia requires elaborately contrived transportation and treatment facilities for its profitable handling. However much mineral there is in the country the rapidity of its development is measured by the rapidity with which railways, mills and smelters, are brought to bear upon the mines. This is a slower process than the discovery and the acknowledgment of the importance of the mines themselves. So that capital

invested in the development of mines where there exists no means of handling the ore, may for a time suffer a check of the same nature as if the resources of the country were inadequate. But such a temporary drawback to profit earning is fully appreciated, and understood, and while it may be chafed against is never put forth as a valid reason for giving the country a bad name.

II. Exaggerated anticipations on the part of investors :

Undoubtedly this has had a great deal to do with the poor returns of which investors complain, and which have given a bad name to British Columbia. Without going beyond the list of productive mines, or considering the wildcats from which gold was to be extracted by some process of stock-broking alchemy, we may safely say that mines were unloaded on investors, and cheerfully accepted by them, at prices which discounted the possible progress of the country for many years to provide an adequate return on the investors' money. It is not necessary to particularise. Examples without number will rise of themselves in the reader's mind. It is noticeable in this connection that while mines within what may be called the "boom" area, namely, Rossland, Slocan and Toad mountain, have returned a very low average return to the investor, mines developed outside that area have returned, or are returning, a high average. But British Columbia's reputation has been necessarily judged by the former and not by the latter.

III. Extravagance and incompetence on the part of the representatives of investors :

These also have been efficient allies of the baseless enthusiasm of the investor himself. People who overestimate the value of a mine at ten times its proper worth are exceedingly likely to overestimate a superintendent in the same proportion. Particularly has this been the case in reference to English companies operating in British Columbia. We refer not to the few which survive in a sound and solvent condition, but to the many which have departed leaving upon the shoulders of British Columbia the unsavoury reputation which justice would lay upon their own.

IV. Bad mining laws :

The British Columbia mining law is probably not perfect. But it must not be forgotten that the mining law has undergone no material change since the time when capital was flowing freely into the country. So far as the conditions under which an industry is carried on are regulated by law it will quickly adapt itself to any reasonable change; but it cannot be subjected to continual change without great loss and damage. The fact of there being continual changes rather than the changes themselves is what dislocates an industry. There cannot be a doubt that the impression widely held abroad that the government of British Columbia is administered in a spirit unsympathetic with, if not hostile to, the mining industry, and that some at least of the difficulties which the investor meets in endeavouring to secure